

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

August 31, 1999

FROM: **MARK H. UFFER**, Interim Director
Arrowhead Regional Medical Center

SUBJECT: **AMENDMENT TO AGREEMENT WITH INSTITUTIONAL PHARMACY SERVICES (IPS)**

RECOMMENDATION: Approve termination of Agreement 99-309 with the Behavioral Health Department, which authorized Institutional Pharmacy Services, Inc. (IPS) to provide services to the Admitting and Evaluation Service (AES) of the Department of Behavioral Health (DBH).

Approve Amendment 1 to Agreement 97-236, which will authorizes IPS to provide pharmacy services to the Inpatient Units and AES at Arrowhead Behavioral Health through the contract with Arrowhead Regional Medical Center.

BACKGROUND INFORMATION: The Medical Center is required by Title 22 to operate an on-site pharmacy staffed by licensed pharmacists responsible for all activities related to the procurement, storage, distribution, dispensing, and use of drugs and chemicals.

The Medical Center contracted the management of its pharmacy services in 1980. A Request for Proposal was issued, bids were obtained and evaluated, and the contract was awarded to IPS. To comply with the requirements of Title 22, pharmacy services for psychiatric inpatients were also provided by IPS. All services were provided from the same physical location and by the same pharmacists and support staff.

The County awarded two contracts, one on behalf of its Medical Center and one on behalf of the DBH.

The Medical Center has now assumed full management responsibility for the Inpatient Psychiatric Unit and AES. Accordingly, it is appropriate to cancel the individual contract with DBH and to provide the mandated pharmacy services in the agreement between the County on behalf of its Medical Center and IPS. This can be accomplished by adding the language regarding payment for services to psychiatric patients into the existing Agreement 97-236, which runs until February 28, 2002. In all other respects, the two agreements were identical.

The fee per patient day increases from \$6.77 in the current period to \$7.22 for the 7/1/99 to 6/30/00 period. This increase is based upon the Consumer Price Index for all urban consumers, detailed expenditure categories, and the US City average for "medical services" index. This is the rate adjustment that was approved in the existing Agreement 99-309 between IPS and DBH.

The term on the current agreement is from March 1, 1997 to February 28, 2002. The agreement allows for termination by either party with ninety-days notice after the first two years. The Medical Center will entertain an RFP process prior to the conclusion of the contract term.

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Record of Action of the Board of Supervisors

BOARD OF SUPERVISORS

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REASON FOR RECOMMENDATION: Consolidation of two agreements into single contract.

FINANCIAL IMPACT: The estimated value of the current agreement with DBH is \$123,214. This is based upon an estimate of 18,200 patient days. The estimated value of the amendment to the agreement 97-236 will be \$131,404. The rate increase will result in a projected cost increase of \$8,190 or 6.6%.

REVIEW BY OTHERS: This amendment has been reviewed by County Counsel (Charles J. Larkin, Deputy County Counsel).

PRESENTER: Mark H. Uffer, Interim Director, Arrowhead Regional Medical Center.